

AMENDED IN ASSEMBLY APRIL 25, 2005

CALIFORNIA LEGISLATURE—2005–06 REGULAR SESSION

**ASSEMBLY BILL**

**No. 1352**

**Introduced by Assembly Member Bogh**

February 22, 2005

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An act to ~~amend Section 33334.25 of, and to add Section 33334.26 to, the Health and Safety Code, relating to redevelopment.~~

LEGISLATIVE COUNSEL'S DIGEST

AB 1352, as amended, Bogh. Redevelopment: transfer of funds.

Existing law, until January 1, 2010, authorizes contiguous agencies located within adjoining cities in a Metropolitan Statistical Area to create and participate in a joint powers authority in order to pool their housing funds to pay for the direct costs of constructing, substantially rehabilitating, or preserving the affordability of housing units that are affordable to very low or low-income households.

~~This bill would authorize the legislative body of the jurisdiction in which the funds are expended to amend one or more of its redevelopment plans to extend by one year the date for the effectiveness and payment of indebtedness and receipt of property taxes, as specified, when a joint powers authority receives an amount of funds equal to the amount of funds required to be paid to a county ERAF by or on behalf of the agency in whose jurisdiction the funds are ultimately expended and the joint powers authority expends the funds in conformance with prescribed provisions. The bill would, for purposes of this provision, exempt the agency from complying with provisions relating to the amendment of a redevelopment plan.~~

The

*This* bill would authorize a redevelopment agency, subject to specified conditions and requirements, to transfer to any agency

anywhere within the housing region in which the agency is located funds it is required to use for the purposes of increasing, improving, and preserving the communities supply of low- and moderate-income housing available at affordable costs.

Vote: majority. Appropriation: no. Fiscal committee: no.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

1     ~~SECTION 1. Section 33334.25 of the Health and Safety Code~~  
2     ~~is amended to read:~~  
3     ~~SECTION 1. Section 33334.26 is added to the Health and~~  
4     ~~Safety Code, to read:~~  
5     33334.26. (a) A redevelopment agency, subject to the  
6     conditions and requirements set forth in this section, may  
7     transfer the funds described in Section 33334.2 to another  
8     redevelopment agency located within the housing region in  
9     which the redevelopment agency is located.  
10    (b) As used in this section, the following terms apply:  
11    (1) "Housing funds" mean funds in or from the low- and  
12    moderate-income housing fund established by an agency  
13    pursuant to Section 33334.3.  
14    (2) "Receiving agency" means a redevelopment agency  
15    organized under this part that receives housing funds from a  
16    transferring agency for the purpose of providing housing  
17    pursuant to this section.  
18    (3) "Transferring agency" means a redevelopment agency  
19    organized under this part that transfers housing funds to a  
20    receiving agency for the purpose of providing housing pursuant  
21    to this section.  
22    (c) Notwithstanding any other provision of law, agencies  
23    located within the same housing region may adopt resolutions for  
24    the purpose of pooling their low- and moderate-income housing  
25    funds for affordable housing uses. A transferring agency may  
26    transfer a portion of its housing funds to a receiving agency for  
27    use by the receiving agency pursuant to this section. The  
28    receiving agency may determine the kinds of housing projects or  
29    activities to be assisted, consistent with this section. The  
30    receiving agency may loan, grant, or advance transferred  
31    housing funds for any eligible housing development within the

1 receiving agency's jurisdiction, subject to the requirements of  
2 this section. In addition, the resolutions may authorize the  
3 receiving agency to issue bonds and to use the pooled funds to  
4 leverage other funds to assist eligible developments, including  
5 loans from private institutions and assistance provided by other  
6 governmental agencies.

7 (d) Each of the following conditions shall be met and  
8 described in the resolution of each participating agency adopted  
9 pursuant to subdivision (c):

10 (1) The community of each participating agency shall have an  
11 adopted up-to-date housing element pursuant to Article 10.6  
12 (commencing with Section 65580) of Division 1 of Title 7 of the  
13 Government Code, that has been determined to be in compliance  
14 with the law by the Department of Housing and Community  
15 Development.

16 (2) The community of each participating agency shall have  
17 met, in its current or previous housing element cycle, 40 percent  
18 or more of its share of the region's affordable housing needs, as  
19 defined in Section 65584 of the Government Code, in the very  
20 low and lower income categories of income groups defined in  
21 Sections 50105 and 50079.5, respectively.

22 (3) The transferring agency shall hold, at least 45 days before  
23 the transfer of funds to the receiving agency, a public hearing,  
24 after providing notice pursuant to Section 6062 of the  
25 Government Code, to solicit public comments on the proposed  
26 transfer of funds.

27 (4) No housing funds shall be transferred from a project area  
28 that has an indebtedness to its low- and moderate-income  
29 housing fund pursuant to Section 33334.6.

30 (5) No housing funds shall be transferred from an agency that  
31 has not met its need for replacement housing pursuant to Section  
32 33413, unless the agency has encumbered and contractually  
33 committed sufficient funds to meet those requirements.

34 (6) Pooled funds shall be used within the receiving agency's  
35 jurisdiction.

36 (7) The resolution shall require compliance by the  
37 participating agency with the provisions of this section.

38 (8) The receiving agency shall ensure that the funds it receives  
39 are used in accordance with the requirements of this section.

1     (9) Funds transferred by an agency to a receiving agency  
2     pursuant to this section shall be expended or encumbered by the  
3     receiving agency within two years of the transfer. Transferred  
4     funds not so expended or encumbered by the receiving agency  
5     within two years after the transfer shall be returned to the  
6     transferring agency and shall be deemed excess surplus funds as  
7     provided in, and subject to, the requirements of Sections  
8     33334.10 and 33334.12. Excess surplus funds held by a  
9     transferring agency shall not be transferred to a receiving  
10    agency.

11    (10) The participating agencies shall prepare and submit an  
12    annual report to the department that documents the amount of  
13    housing funds received and expended or allocated for specific  
14    housing assistance activities consistent with Section 33080.4.

15    (e) Each of the following conditions shall be met and  
16    described in a mutually binding contract between the  
17    transferring agency and receiving agency:

18    (1) Pooled housing funds may only be used to pay for the  
19    direct costs of constructing, substantially rehabilitating, or  
20    preserving the affordability of housing units that are affordable  
21    to very low or low-income households. Units assisted with pooled  
22    funds shall remain available at affordable housing costs in  
23    accordance with subdivision (f) of Section 33334.3.

24    (2) Except as provided in this section, pooled housing funds  
25    may not be used in any way that is inconsistent with the  
26    requirements of Section 33334.3. Pooled housing funds may not  
27    be used to pay for planning and administrative costs, offsite  
28    improvements associated with a housing project, or fees or  
29    exactions levied solely for development projects constructed,  
30    substantially rehabilitated, or preserved with pooled funds. The  
31    receiving agency is subject to the same replacement  
32    requirements provided in Section 33413 and any relocation  
33    requirements applicable pursuant to Section 7260 of the  
34    Government Code.

35    (3) The receiving agency shall make findings, based on  
36    substantial evidence on the record, that each proposed use of the  
37    pooled funds will not exacerbate racial or economic segregation.

38    (4) Affordable units developed through transferred funds shall  
39    be credited toward the regional housing needs allocation of the  
40    community of the transferring agency or the receiving agency, in

1 *an amount not to exceed the total number of affordable units*  
2 *created. The transferring and receiving agency shall agree in*  
3 *writing as to the allocation of credit for the affordable units.*

4 *(5) The department has evaluated each proposed use of pooled*  
5 *funds to construct, substantially rehabilitate, or preserve the*  
6 *affordability of housing and determined that the proposed use is*  
7 *in compliance with this section. In considering whether a*  
8 *proposed use of funds will exacerbate racial or economic*  
9 *segregation, the department shall consider all of the following:*

10 *(A) The record of participating jurisdictions in meeting their*  
11 *share of the regional need for very low and low-income*  
12 *households allocated to the jurisdiction pursuant to Section*  
13 *65584 of the Government Code.*

14 *(B) The distance of the proposed housing from a*  
15 *redevelopment area from which pooled funds originated.*

16 *(C) The income and ethnicity of the residents of the census*  
17 *tract from which the pooled funds originated and in which the*  
18 *housing will be located.*

19 *(D) The housing need and availability of sufficient sites for*  
20 *housing from which pooled funds originated.*

21 *(f) When a receiving agency receives funds from a transferring*  
22 *agency pursuant to this section in an amount of funds equal to*  
23 *the amount of funds required to be paid by or on behalf of the*  
24 *receiving agency pursuant to Section 33681.9 and the receiving*  
25 *agency encumbers and expends the funds within two years of*  
26 *receipt, the legislative body of the receiving agency may amend*  
27 *its redevelopment plans by adopting an ordinance to extend the*  
28 *date for the effectiveness and payment of indebtedness and*  
29 *receipt of property taxes of the redevelopment plans, as set forth*  
30 *pursuant to paragraphs (2) and (3) of subdivision (a) of Section*  
31 *33333.2 or subdivisions (a) and (b) of Section 33333.6, as*  
32 *applicable, for a period of one year. In adopting an ordinance*  
33 *pursuant to this subparagraph, neither the legislative body nor*  
34 *the agency is required to comply with Section 33354.6 or Article*  
35 *12 (commencing with Section 33450) or any other provision of*  
36 *this part relating to the amendment of redevelopment plans.*

37 *(g) Funds transferred pursuant to this section shall be deemed*  
38 *expended by the transferring agency for purposes of calculating*  
39 *excess surplus pursuant to Section 33334.12.*

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**All matter omitted in this version of the bill  
appears in the bill as introduced in the  
Senate, February 22, 2005. (JR11)**

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